

AMENDED IN ASSEMBLY AUGUST 24, 2012

AMENDED IN SENATE MAY 29, 2012

AMENDED IN SENATE MAY 29, 2012

AMENDED IN SENATE APRIL 25, 2012

AMENDED IN SENATE APRIL 9, 2012

SENATE BILL

No. 1455

Introduced by Senator Kehoe

(Principal author: ~~coauthor~~; ~~coauthors~~: Assembly Member Members Perea and Skinner)

February 24, 2012

An act to amend Sections 41081, 44060.5, 44225, 44229, 44275, 44280, 44281, 44282, 44283, 44287, 44299.1, and 44299.2 of, and to add Sections 43018.9, 43867.5, and 43867.6 to, the Health and Safety Code, to amend Sections 42885 and 42889 of the Public Resources Code, and to amend Sections 9250.1, 9250.2, 9261.1, and 9853.6 of the Vehicle Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 1455, as amended, Kehoe. ~~Alternative fuels and vehicle technologies: funding programs.~~

Existing

(1) Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission (commission), to provide to specified entities, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative

technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. Existing law specifies that only certain projects or programs are eligible for funding, including block grants administered by public entities or not-for-profit technology entities for multiple projects, education and program promotion within California, and development of alternative and renewable fuel and vehicle technology centers. Existing law require the commission to develop and adopt an investment plan to determine priorities and opportunities for the program.

This bill would prohibit the State Air Resources Board (state board) from submitting, until a specified date, to the Office of Administrative Law specified amendments to the state board's clean fuels outlet regulation. The bill would require the state board to aggregate and make available to the public, no later than January 1, 2014, and every two years thereafter, the number of vehicles that automobile manufacturers project to be sold or leased, as reported to the state board. The bill would require the commission to allocate \$20 million each fiscal year, as specified, and up to \$20 million each fiscal year thereafter, as specified, for purposes of constructing and operating a hydrogen fueling network sufficient to provide convenient fueling to vehicle owners, and expand that network as necessary to support a growing market for vehicles requiring hydrogen fuel, until there are at least 100 publicly available hydrogen fueling stations. The bill, on or before December 31, 2015, and annually thereafter, would require the state board and the commission to jointly review and report on the progress toward establishing a hydrogen fueling network that provides the coverage and capacity to fuel vehicles requiring hydrogen fuel that are being placed into operation in the state, as specified. The bill would authorize the commission to design loan incentive programs, revolving loan programs, and other forms of financial assistance, as specified, for purposes of assisting in the implementation of these provisions. The bill, no later than July 1, 2013, would require the state board to convene working groups to evaluate the specified policies and goals of specified programs.

(2) Existing law requires the State Energy Resources Conservation and Development Commission (commission), in partnership with the State Air Resources Board (state board), to develop and adopt a state plan to increase the use of alternative transportation fuels.

This bill would require the commission and the state board, among other things, to coordinate efforts to measure the progress of alternative

fuels use. The bill would require the commission and the state board, on or before November 1, 2014, to update a specified economic analysis. The bill would require the commission and the state board to evaluate how the use of new and existing investment programs could be used to increase the state alternative transportation fuels use, and evaluate how the impact of federal fuel policies and existing state policies will help increase the use of alternative transportation fuels in the state. The bill would require the commission and the state board, on or before November 1, 2015, and every 2 years thereafter, to report in the integrated energy policy report, as specified, the status of the ~~state's~~ *state* alternative transportation fuels use, as specified, and make specified evaluations. The bill would require the state board to include a finding on the effect of proposed regulations on state alternative transportation fuels use.

(3) Existing law, until January 1, 2016, establishes vehicle registration fees of \$34, vessel registration fees of \$20 and of \$40, as applicable, and specified service fees for identification plates of \$20. Existing law requires a portion of that revenue generated by those fees to be deposited in the Alternative and Renewable Fuel and Vehicle Technology Fund, the Air Quality Improvement Fund, and the Enhanced Fleet Modernization Subaccount, as provided.

Existing law, until January 1, 2016, imposes smog abatement fees of \$20, and requires a specified amount of those fees be deposited in the Air Quality Improvement Fund and in the Alternative and Renewable Fuel and Vehicle Technology Fund.

This bill would extend those fees in the amounts required to make these deposits into the Alternative and Renewable Fuel and Vehicle Technology Fund, the Air Quality Improvement Fund, and the Enhanced Fleet Modernization Subaccount until January 1, 2023, at which time the fees would be reduced by those amounts.

(4) Existing law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer program), which is administered by the state board, to provide grants to offset the incremental cost of eligible projects that reduce emissions of air pollutants from sources in the state and for funding a fueling infrastructure demonstration program and technology development efforts.

Existing law authorizes the district board of the Sacramento Metropolitan Air Quality Management District to adopt a surcharge on motor vehicle registration fees applicable to all motor vehicles

registered in the counties within that district. Existing law, until January 1, 2015, raises the limit on the amount of that surcharge to \$6 for a motor vehicle whose registration expires on or after December 31, 1990, and requires that \$2 of the surcharge be used to implement the Carl Moyer program, as specified. Beginning January 1, 2015, existing law returns the surcharge limit to its previous amount of \$4.

This bill would extend the \$6 limitation on the surcharge until December 31, 2023, with the limit returning to \$4 beginning on that date.

Existing law authorizes each air pollution control and air quality management district that has been designated a state nonattainment area by the state board for any motor vehicle air pollutant, except the Sacramento district, to levy a surcharge on the registration fees for every motor vehicle registered in that district, as specified by the governing body of the district. Existing law requires the Department of Motor Vehicles to collect that surcharge if requested by a district, and requires the department, after deducting its administrative costs, to distribute the revenues to the districts. Existing law, until January 1, 2015, raises the limit on the amount of that surcharge to \$6 and requires that \$2 of the surcharge be used to implement the Carl Moyer program, as specified. Beginning January 1, 2015, existing law returns the surcharge limit to its previous amount of \$4.

This bill would extend the \$6 limitation on the surcharge until December 31, 2023, with the limit returning to \$4 beginning on that date.

(5) Existing law imposes a California tire fee amount on every person who purchases a new tire, with the revenues generated to be allocated for prescribed purposes related to disposal and use of used tires. Existing law, until January 1, 2015, raises the limit on the tire fee to \$1.75 and requires that 75¢ per tire on which the fee is imposed, be deposited in the Air Pollution Control Fund for use by the state board and districts for specified purposes. Beginning January 1, 2015, existing law returns the tire fee limit to 75¢.

This bill would extend the \$1.50 limitation on the tire fee until December 31, 2023, with the limit returning to 75¢ on that date.

(6) This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of ²/₃ of the membership of each house of the Legislature.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 41081 of the Health and Safety Code, as
2 amended by Chapter 216 of the Statutes of 2011, is amended to
3 read:

4 41081. (a) Subject to Article 3.7 (commencing with Section
5 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the
6 Government Code, or with the approval of the board of supervisors
7 of each county included, in whole or in part, within the Sacramento
8 district, the Sacramento district board may adopt a surcharge on
9 the motor vehicle registration fees applicable to all motor vehicles
10 registered in those counties within the Sacramento district whose
11 boards of supervisors have adopted a resolution approving the
12 surcharge. The surcharge shall be collected by the Department of
13 Motor Vehicles and, after deducting the department's
14 administrative costs, the remaining funds shall be transferred to
15 the Sacramento district. Prior to the adoption of any surcharge
16 pursuant to this subdivision, the district board shall make a finding
17 that any funds allocated to the district as a result of the adoption
18 of a county transportation sales and use tax are insufficient to carry
19 out the purposes of this chapter.

20 (b) The surcharge shall not exceed six dollars (\$6).

21 (c) After consulting with the Department of Motor Vehicles on
22 the feasibility thereof, the Sacramento district board may provide,
23 in the surcharge adopted pursuant to subdivision (a), to exempt
24 from all or part of the surcharge any category of low-emission
25 motor vehicle.

26 (d) Funds received by the Sacramento district pursuant to this
27 section shall be used by that district as follows:

28 (1) The revenues resulting from the first four dollars (\$4) of
29 each surcharge shall be used to implement reductions in emissions
30 from vehicular sources, including, but not limited to, a clean fuels
31 program and motor vehicle use reduction measures.

32 (2) The revenues resulting from the next two dollars (\$2) of
33 each surcharge shall be used to implement the following programs
34 that achieve emission reductions from vehicular sources and
35 off-road engines, to the extent that the district determines the

1 program remediates air pollution harms created by motor vehicles
2 on which the surcharge is imposed:

3 (A) Projects eligible for grants under the Carl Moyer Memorial
4 Air Quality Standards Attainment Program (Chapter 9
5 (commencing with Section 44275) of Part 5).

6 (B) The new purchase, retrofit, repower, or add-on of equipment
7 for previously unregulated agricultural sources of air pollution, as
8 defined in Section 39011.5, within the Sacramento district, for a
9 minimum of three years from the date of adoption of an applicable
10 rule or standard, or until the compliance date of that rule or
11 standard, whichever is later, if the state board has determined that
12 the rule or standard complies with Sections 40913, 40914, and
13 41503.1, after which period of time, a new purchase, retrofit,
14 repower, or add-on of equipment shall not be funded pursuant to
15 this chapter. The district shall follow any guidelines developed
16 under subdivision (a) of Section 44287 for awarding grants under
17 this program.

18 (C) The purchase of new, or retrofit of emissions control
19 equipment for existing, schoolbuses pursuant to the
20 Lower-Emission School Bus Program adopted by the state board.

21 (D) An accelerated vehicle retirement or repair program that is
22 adopted by the state board pursuant to authority granted hereafter
23 by the Legislature by statute.

24 (E) The replacement of onboard natural gas fuel tanks on
25 schoolbuses owned by a school district that are 14 years or older,
26 not to exceed twenty thousand dollars (\$20,000) per bus, pursuant
27 to the Lower-Emission School Bus Program adopted by the state
28 board.

29 (F) The enhancement of deteriorating natural gas fueling
30 dispensers of fueling infrastructure operated by a school district
31 with a one-time funding amount not to exceed five hundred dollars
32 (\$500) per dispenser, pursuant to the Lower-Emission School Bus
33 Program adopted by the state board.

34 (e) Not more than 5 percent of the funds collected pursuant to
35 this section shall be used by the district for administrative expenses.

36 (f) A project funded by the program shall not be used for credit
37 under any state or federal emissions averaging, banking, or trading
38 program. An emission reduction generated by the program shall
39 not be used as marketable emission reduction credits or to offset
40 any emission reduction obligation of any person or entity. Projects

involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to qualify for funding under the program. A purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, shall generate surplus emissions reductions and may be funded by the program.

(g) This section shall remain in effect only until ~~January 1, 2015~~ *December 31, 2023*, and as of that date is repealed, unless a later enacted statute, that is enacted before ~~January 1, 2015~~ *December 31, 2023*, deletes or extends that date.

SEC. 2. Section 41081 of the Health and Safety Code, as added by Chapter 707 of the Statutes of 2004, is amended to read:

41081. (a) Subject to Article 3.7 (commencing with Section 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, or with the approval of the board of supervisors of each county included, in whole or in part, within the Sacramento district, the Sacramento district board may adopt a surcharge on the motor vehicle registration fees applicable to all motor vehicles registered in those counties within the Sacramento district whose boards of supervisors have adopted a resolution approving the surcharge. The surcharge shall be collected by the Department of Motor Vehicles and, after deducting the department's administrative costs, the remaining funds shall be transferred to the Sacramento district. Prior to the adoption of any surcharge pursuant to this subdivision, the district board shall make a finding that any funds allocated to the district as a result of the adoption of a county transportation sales and use tax are insufficient to carry out the purposes of this chapter.

(b) The surcharge shall not exceed two dollars (\$2) for each motor vehicle whose registration expires on or after December 31, 1989, and prior to December 31, 1990. For each motor vehicle whose registration expires on or after December 31, 1990, the surcharge shall not exceed four dollars (\$4).

(c) After consulting with the Department of Motor Vehicles on the feasibility thereof, the Sacramento district board may provide, in the surcharge adopted pursuant to subdivision (a), to exempt

1 from all or part of the surcharge any category of low-emission
2 motor vehicle.

3 (d) Funds received by the Sacramento district pursuant to this
4 section shall be used to implement the strategy with respect to the
5 reduction in emissions from vehicular sources, including, but not
6 limited to, a clean fuels program and motor vehicle use reduction
7 measures. Not more than 5 percent of the funds collected pursuant
8 to this section shall be used by the district for administrative
9 expenses.

10 (e) This section shall become operative on ~~January 1, 2015~~
11 *December 31, 2023.*

12 *SEC. 3. Section 43018.9 is added to the Health and Safety*
13 *Code, to read:*

14 *43018.9. (a) For purposes of this section, the following terms*
15 *have the following meanings:*

16 *(1) "Commission" means the State Energy Resources*
17 *Conservation and Development Commission.*

18 *(2) "Publicly available hydrogen fueling station" means the*
19 *equipment used to store and dispense hydrogen fuel to vehicles*
20 *according to industry codes and standards that is open to the*
21 *public.*

22 *(b) (1) The state board shall not submit to the Office of*
23 *Administrative Law that portion of the amendments to the clean*
24 *fuels outlet regulation considered by the state board on January*
25 *26, 2012, that require, or have the effect of requiring, any person*
26 *construct, operate, or provide funding for the construction or*
27 *operation of a publicly available hydrogen fueling station at any*
28 *retail outlet or establishment. Notwithstanding any other law, the*
29 *state board shall have no authority to enforce any element of its*
30 *existing clean fuels outlet regulation, or of any other regulation,*
31 *that requires or has the effect of requiring any person construct,*
32 *operate, or provide funding for the construction or operation of*
33 *any publicly available hydrogen fueling station.*

34 *(2) This subdivision shall remain in effect only until December*
35 *31, 2023.*

36 *(c) The state board shall aggregate and make available to the*
37 *public no later than January 1, 2014, and every two years*
38 *thereafter, the number of vehicles that automobile manufacturers*
39 *project to be sold or leased, as reported to the state board pursuant*
40 *to Title 13, California Code of Regulations, Section 2303(a).*

1 (d) (1) *The commission shall allocate twenty million dollars*
2 *(\$20,000,000) each fiscal year, beginning July 1, 2013, through*
3 *June 30, 2016, inclusive, and up to twenty million dollars*
4 *(\$20,000,000) each fiscal year thereafter, not to exceed 20 percent*
5 *of moneys appropriated by the Legislature from the Alternative*
6 *and Renewable Fuel and Vehicle Technology Fund, established*
7 *pursuant to Section 44273, for purposes of constructing and*
8 *operating a hydrogen fueling network sufficient to provide*
9 *convenient fueling to vehicle owners, and expand that network as*
10 *necessary to support a growing market for vehicles requiring*
11 *hydrogen fuel, until there are at least 100 publicly available*
12 *hydrogen fueling stations. The commission's expenditures shall*
13 *not exceed 20 percent of the moneys appropriated annually by the*
14 *Legislature from the Alternative and Renewable Fuel and Vehicle*
15 *Technology Fund.*

16 (2) *Based on the results of the review set forth in paragraph*
17 *(4), the commission may defer allocating the moneys set forth in*
18 *paragraph (1) as needed to keep the number of fueling stations*
19 *matched to the fueling needs of the vehicles.*

20 (3) *Notwithstanding paragraph (1), once the commission*
21 *determines, in consultation with the state board, that the private*
22 *sector is establishing publicly available hydrogen fueling stations*
23 *without the need for government support, the commission may*
24 *cease providing funding for those stations.*

25 (4) *On or before December 31, 2015, and annually thereafter,*
26 *the state board and the commission shall jointly review and report*
27 *on progress toward establishing a hydrogen fueling network that*
28 *provides the coverage and capacity to fuel vehicles requiring*
29 *hydrogen fuel that are being placed into operation in the state.*
30 *The state board and the commission shall consider the plans of*
31 *automobile manufacturers to increase the number of vehicles*
32 *requiring hydrogen fuel, the coverage and capacity of the existing*
33 *hydrogen fueling station network, and the amount and timing of*
34 *growth in the fueling network to ensure fuel is available to these*
35 *vehicles. The review shall also determine the remaining cost and*
36 *timing to establish a network of 100 publicly available fueling*
37 *stations and whether public funding remains necessary to achieve*
38 *this goal.*

39 (e) *To assist in the implementation of this section and maximize*
40 *the ability to deploy fueling infrastructure as rapidly as possible*

1 *with the assistance of private capital, the commission may design*
2 *loan incentive programs, revolving loan programs, and other forms*
3 *of financial assistance. The commission also may enter into an*
4 *agreement with the Treasurer to provide financial assistance to*
5 *further the purposes of this section.*

6 *(f) Funds appropriated to the commission for the purposes of*
7 *this section shall be available for encumbrance by the commission*
8 *for up to four years from the date of the appropriation.*

9 *(g) Notwithstanding any law, the state board, no later than July*
10 *1, 2013, shall convene working groups to evaluate the policies*
11 *and goals contained within the Carl Moyer and Assembly Bill 923*
12 *(Chapter 707 of the Statutes of 2004) programs.*

13 ~~SECTION 4.~~

14 SEC. 4. Section 43867.5 is added to the Health and Safety
15 Code, to read:

16 43867.5. The Legislature finds and declares all of the following:

17 (a) The state overwhelmingly relies on a single source of fuel,
18 petroleum, for its transportation needs, and nearly one-half of that
19 petroleum comes from overseas. This overreliance on petroleum
20 leaves residents vulnerable to supply interruptions and price
21 instabilities, and it leaves consumers with essentially no options
22 for alternative transportation fuels.

23 (b) Residents spend over twenty billion dollars
24 (\$20,000,000,000) each year on petroleum fuel imports,
25 representing a significant missed economic opportunity.

26 (c) It is in the interest of the state to increase alternative fuels
27 usage to reduce fuel price volatility, improve environmental quality
28 and transportation energy security, and demonstrate the state's
29 continued leadership in reducing greenhouse gas emissions.

30 (d) The "State Alternative Fuels Plan," which was adopted by
31 the state board and the State Energy Resources Conservation and
32 Development Commission pursuant to Section 43866, outlined
33 specific strategies and targets that would increase the use of
34 alternative and nonpetroleum fuels. The strategy set a moderate
35 growth goal of 26 percent penetration for alternative fuel use in
36 on-road and off-road vehicles by 2022. In 2007, alternative fuels
37 accounted for less than 5 percent of the transportation sector's
38 consumption.

39 (e) Therefore, it is in the interest of the state to evaluate progress
40 toward increasing alternative fuels usage .

~~SEC. 2.~~

SEC. 5. Section 43867.6 is added to the Health and Safety Code, to read:

43867.6. (a) In order to measure the progress of alternative fuels use for on-road and off-road vehicles in the state, it is the intent of the Legislature that the state board and the State Energy Resources Conservation and Development Commission shall update the analysis of the state alternative transportation fuels use described in this section.

(b) The state board and the State Energy Resources Conservation and Development Commission shall coordinate efforts to implement this article.

(c) On or before November 1, 2014, the state board and the State Energy Resources Conservation and Development Commission shall

update the economic analysis used in developing and reviewing state board regulations to include a range of petroleum and alternative fuel prices to more accurately assess the future cost of petroleum-based and alternative fuels.

(d) The State Energy Resources Conservation and Development Commission, in consultation with the state board, shall do all of the following:

(1) Evaluate how the use of new and existing investment programs could be used to increase the state alternative transportation fuels use.

(2) Evaluate how the impact of federal fuel policies and existing state policies will help increase the use of alternative transportation fuels in the state.

(e) On or before November 1, 2015, and every two years thereafter consistent with and reported within the integrated energy policy report, pursuant to Section 25302 of the Public Resources Code, the state board and the State Energy Resources Conservation and Development Commission shall report on the status of the state's state alternative transportation fuels use *analysis* in subdivision (a) and make *the* evaluations required in subdivision (d). The report shall include details as to the quantities of alternative fuels used in the state during the preceding years in absolute terms and as a percentage of the state's overall transportation fuel mix.

1 (f) As part of developing relevant new and amended regulations,
2 the state board shall include a finding on the effect of proposed
3 regulations on the state alternative transportation fuels use.

4 (g) This section shall be implemented consistent with the
5 environmental, public health, and sustainability considerations
6 included in Sections 44271 and 44272. Further, nothing in this
7 section shall be interpreted to preempt the California Global
8 Warming Solutions Act of 2006 (Division 25.5 (commencing with
9 Section 38500)) or the programs and policies implemented pursuant
10 to that act.

11 (h) The state board and the State Energy Resources Conservation
12 and Development Commission, in studying the state alternative
13 transportation fuels use, shall seek to measure all of the following:

14 (1) In-state job creation through the continued development of
15 an alternative fuels industry in the state.

16 (2) Economic vulnerability of residents to future, costly
17 petroleum fuel price spikes by the use of either petroleum fuels or
18 alternative fuels and vehicles.

19 (3) Alternative fuel market penetration in nonattainment areas.

20 (4) Increase access to the supply of alternative fuels and
21 alternative fuel vehicles for all residents, including barriers to
22 supply.

23 *SEC. 6. Section 44060.5 of the Health and Safety Code is*
24 *amended to read:*

25 44060.5. (a) Beginning July 1, 2008, the smog abatement fee
26 described in Section 44060 shall be increased by eight dollars (\$8).

27 (b) Revenues generated by the increase described in this section
28 shall be distributed as follows:

29 (1) The revenues generated by four dollars (\$4) shall be
30 deposited in the Air Quality Improvement Fund created by Section
31 44274.5.

32 (2) The revenues generated by four dollars (\$4) shall be
33 deposited in the Alternative and Renewable Fuel and Vehicle
34 Technology Fund created by Section 44273.

35 (c) This section shall remain in effect only until ~~January 1, 2016~~
36 *December 31, 2023*, and as of that date is repealed, unless a later
37 enacted statute, that is enacted before ~~January 1, 2016~~ *December*
38 *31, 2023*, deletes or extends that date.

1 *SEC. 7. Section 44225 of the Health and Safety Code, as*
2 *amended by Section 3 of Chapter 707 of the Statutes of 2004, is*
3 *amended to read:*

4 44225. A district may increase the fee established under Section
5 44223 to up to six dollars (\$6). A district may increase the fee only
6 if the following conditions are met:

7 (a) A resolution providing for both the fee increase and a
8 corresponding program for expenditure of the increased fees for
9 the reduction of air pollution from motor vehicles pursuant to, and
10 for related planning, monitoring, enforcement, and technical studies
11 necessary for the implementation of, the California Clean Air Act
12 of 1988 is adopted and approved by the governing board of the
13 district.

14 (b) In districts with nonelected officials on their governing
15 boards, the resolution shall be adopted and approved by both a
16 majority of the governing board and a majority of the board
17 members who are elected officials.

18 (c) An increase in fees established pursuant to this section shall
19 become effective on either April 1 or October 1, as provided in
20 the resolution adopted by the board pursuant to subdivision (a).

21 (d) This section shall remain in effect only until ~~January 1, 2015~~
22 ~~December 31, 2023~~, and as of that date is repealed, unless a later
23 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
24 ~~31, 2023~~, deletes or extends that date.

25 *SEC. 8. Section 44225 of the Health and Safety Code, as added*
26 *by Chapter 707 of the Statutes of 2004, is amended to read:*

27 44225. On and after April 1, 1992, a district may increase the
28 fee established under Section 44223 to up to four dollars (\$4). A
29 district may increase the fee only if the following conditions are
30 met:

31 (a) A resolution providing for both the fee increase and a
32 corresponding program for expenditure of the increased fees for
33 the reduction of air pollution from motor vehicles pursuant to, and
34 for related planning, monitoring, enforcement, and technical studies
35 necessary for the implementation of, the California Clean Air Act
36 of 1988 is adopted and approved by the governing board of the
37 district.

38 (b) In districts with nonelected officials on their governing
39 boards, the resolution shall be adopted and approved by both a

1 majority of the governing board and a majority of the board
2 members who are elected officials.

3 (c) An increase in fees established pursuant to this section shall
4 become effective on either April 1 or October 1, as provided in
5 the resolution adopted by the board pursuant to subdivision (a).

6 (d) This section shall become operative on ~~January 1, 2015~~
7 *December 31, 2023*.

8 *SEC. 9. Section 44229 of the Health and Safety Code, as*
9 *amended by Chapter 216 of the Statutes of 2011, is amended to*
10 *read:*

11 44229. (a) After deducting all administrative costs it incurs
12 through collection of fees pursuant to Section 44227, the
13 Department of Motor Vehicles shall distribute the revenues to
14 districts, which shall use the revenues resulting from the first four
15 dollars (\$4) of each fee imposed to reduce air pollution from motor
16 vehicles and to carry out related planning, monitoring, enforcement,
17 and technical studies necessary for implementation of the California
18 Clean Air Act of 1988. Fees collected by the Department of Motor
19 Vehicles pursuant to this chapter shall be distributed to districts
20 based upon the amount of fees collected from motor vehicles
21 registered within each district.

22 (b) Notwithstanding the provisions of Sections 44241 and 44243,
23 a district shall use the revenues resulting from the next two dollars
24 (\$2) of each fee imposed pursuant to Section 44227 to implement
25 the following programs that the district determines remediate air
26 pollution harms created by motor vehicles on which the surcharge
27 is imposed:

28 (1) Projects eligible for grants under the Carl Moyer Memorial
29 Air Quality Standards Attainment Program (Chapter 9
30 (commencing with Section 44275) of Part 5).

31 (2) The new purchase, retrofit, repower, or add-on equipment
32 for previously unregulated agricultural sources of air pollution, as
33 defined in Section 39011.5, for a minimum of three years from
34 the date of adoption of an applicable rule or standard, or until the
35 compliance date of that rule or standard, whichever is later, if the
36 state board has determined that the rule or standard complies with
37 Sections 40913, 40914, and 41503.1, after which period of time,
38 a new purchase, retrofit, repower, or add-on of equipment shall
39 not be funded pursuant to this chapter. The districts shall follow

1 any guidelines developed under subdivision (a) of Section 44287
2 for awarding grants under this program.

3 (3) The purchase of new, or retrofit of emissions control
4 equipment for existing, schoolbuses pursuant to the
5 Lower-Emission School Bus Program adopted by the state board.

6 (4) An accelerated vehicle retirement or repair program that is
7 adopted by the state board pursuant to authority granted hereafter
8 by the Legislature by statute.

9 (5) The replacement of onboard natural gas fuel tanks on
10 schoolbuses owned by a school district that are 14 years or older,
11 not to exceed twenty thousand dollars (\$20,000) per bus, pursuant
12 to the Lower-Emission School Bus Program adopted by the state
13 board.

14 (6) The enhancement of deteriorating natural gas fueling
15 dispensers of fueling infrastructure operated by a school district
16 with a one-time funding amount not to exceed five hundred dollars
17 (\$500) per dispenser, pursuant to the Lower-Emission School Bus
18 Program adopted by the state board.

19 (c) The Department of Motor Vehicles may annually expend
20 not more than 1 percent of the fees collected pursuant to Section
21 44227 on administrative costs.

22 (d) A project funded by the program shall not be used for credit
23 under any state or federal emissions averaging, banking, or trading
24 program. An emission reduction generated by the program shall
25 not be used as marketable emission reduction credits or to offset
26 any emission reduction obligation of any person or entity. Projects
27 involving new engines that would otherwise generate marketable
28 credits under state or federal averaging, banking, and trading
29 programs shall include transfer of credits to the engine end user
30 and retirement of those credits toward reducing air emissions in
31 order to qualify for funding under the program. A purchase of a
32 low-emission vehicle or of equipment pursuant to a corporate or
33 a controlling board's policy, but not otherwise required by law,
34 shall generate surplus emissions reductions and may be funded by
35 the program.

36 (e) This section shall remain in effect only until ~~January 1, 2015~~
37 *December 31, 2023*, and as of that date is repealed, unless a later
38 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
39 *31, 2023*, deletes or extends that date.

1 *SEC. 10. Section 44229 of the Health and Safety Code, as*
2 *added by Chapter 707 of the Statutes of 2004, is amended to read:*

3 44229. (a) After deducting all administrative costs it incurs
4 through collection of fees pursuant to Section 44227, the
5 Department of Motor Vehicles shall distribute the revenues to
6 districts which shall use the fees to reduce air pollution from motor
7 vehicles and to carry out related planning, monitoring, enforcement,
8 and technical studies necessary for implementation of the California
9 Clean Air Act of 1988. Fees collected by the Department of Motor
10 Vehicles pursuant to this chapter shall be distributed to districts
11 based upon the amount of fees collected from motor vehicles
12 registered within each district.

13 (b) The Department of Motor Vehicles may annually expend
14 not more than the following percentages of the fees collected
15 pursuant to Section 44227 on administrative costs:

16 (1) During the first year after the operative date of this chapter,
17 not more than 5 percent of the fees collected may be used for
18 administrative costs.

19 (2) During the second year after the operative date of this
20 chapter, not more than 3 percent of the fees collected may be used
21 for administrative costs.

22 (3) During any year subsequent to the second year after the
23 operative date of this chapter, not more than 1 percent of the fees
24 collected may be used for administrative costs.

25 (c) This section shall become operative on ~~January 1, 2015~~
26 *December 31, 2023.*

27 *SEC. 11. Section 44275 of the Health and Safety Code, as*
28 *amended by Section 5 of Chapter 707 of the Statutes of 2004, is*
29 *amended to read:*

30 44275. (a) As used in this chapter, the following terms have
31 the following meanings:

32 (1) "Advisory board" means the Carl Moyer Program Advisory
33 Board created by Section 44297.

34 (2) "Btu" means British thermal unit.

35 (3) "Commission" means the State Energy Resources
36 Conservation and Development Commission.

37 (4) "Cost-effectiveness" means dollars provided to a project
38 pursuant to subdivision (d) of Section 44283 for each ton of
39 covered emission reduction attributed to a project or to the program
40 as a whole. In calculating cost-effectiveness, one-time grants of

1 funds made at the beginning of a project shall be annualized using
2 a time value of public funds or discount rate determined for each
3 project by the state board, taking into account the interest rate on
4 bonds, interest earned by state funds, and other factors as
5 determined appropriate by the state board. Cost-effectiveness shall
6 be calculated by dividing annualized costs by average annual
7 emissions reduction. The state board, in consultation with the
8 districts and concerned members of the public, shall establish
9 appropriate cost effective limits for oxides of nitrogen, particulate
10 matter, and reactive organic gases and a reasonable system for
11 comparing the cost-effectiveness of proposed projects as described
12 in subdivision (a) of Section 44283.

13 (5) "Covered emissions" include emissions of oxides of nitrogen,
14 particulate matter, and reactive organic gases from any covered
15 source.

16 (6) "Covered engine" includes any internal combustion engine
17 or electric motor and drive powering a covered source.

18 (7) "Covered source" includes onroad vehicles offroad
19 nonrecreational equipment and vehicles, locomotives, diesel marine
20 vessels, agricultural sources of air pollution, as defined in Section
21 39011.5, and, as determined by the state board, other high-emitting
22 engine categories.

23 (8) "Covered vehicle" includes any vehicle or piece of
24 equipment powered by a covered engine.

25 (9) "District" means a county air pollution control district or an
26 air quality management district.

27 (10) "Fund" means the Carl Moyer Memorial Air Quality
28 Standards Attainment Trust Fund created by Section 44299.

29 (11) "Mobile Source Air Pollution Reduction Review
30 Committee" means the Mobile Source Air Pollution Reduction
31 Review Committee created by Section 44244.

32 (12) "Incremental cost" means the cost of the project less a
33 baseline cost that would otherwise be incurred by the applicant in
34 the normal course of business. Incremental costs may include
35 added lease or fuel costs pursuant to Section 44283 as well as
36 incremental capital costs.

37 (13) "New very low emission vehicle" means a heavy-duty
38 vehicle that qualifies as a very low emission vehicle when it is a
39 new vehicle, where new vehicle has the same meaning as defined
40 in Section 430 of the Vehicle Code, or that is modified with the

1 approval and warranty of the original equipment manufacturer to
2 qualify as a very low emission vehicle within 12 months of delivery
3 to an owner for private or commercial use.

4 (14) “NO_x” means oxides of nitrogen.

5 (15) “Program” means the Carl Moyer Memorial Air Quality
6 Standards Attainment Program created by subdivision (a) of
7 Section 44280.

8 (16) “Repower” means replacing an engine with a different
9 engine. The term repower, as used in this chapter, generally refers
10 to replacing an older, uncontrolled engine with a new,
11 emissions-certified engine, although replacing an older
12 emissions-certified engine with a newer engine certified to lower
13 emissions standards may be eligible for funding under this program.

14 (17) “Retrofit” means making modifications to the engine and
15 fuel system such that the retrofitted engine does not have the same
16 specifications as the original engine.

17 (18) “Very low emission vehicle” means a heavy-duty vehicle
18 with emissions significantly lower than otherwise applicable
19 baseline emission standards or uncontrolled emission levels
20 pursuant to Section 44282.

21 (b) This section shall remain in effect only until ~~January 1, 2015~~
22 *December 31, 2023*, and as of that date is repealed, unless a later
23 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
24 *31, 2023*, deletes or extends that date.

25 *SEC. 12. Section 44275 of the Health and Safety Code, as*
26 *added by Chapter 707 of the Statutes of 2004, is amended to read:*

27 44275. (a) As used in this chapter, the following terms have
28 the following meaning:

29 (1) “Advisory board” means the Carl Moyer Program Advisory
30 Board created by Section 44297.

31 (2) “Btu” means British thermal unit.

32 (3) “Commission” means the State Energy Resources
33 Conservation and Development Commission.

34 (4) “Cost-effectiveness” means dollars provided to a project
35 pursuant to subdivision (d) of Section 44283 for each ton of NO_x
36 reduction attributed to a project or to the program as a whole. In
37 calculating cost-effectiveness, one-time grants of funds made at
38 the beginning of a project shall be annualized using a time value
39 of public funds or discount rate determined for each project by the
40 state board, taking into account the interest rate on bonds, interest

1 earned by state funds, and other factors as determined appropriate
2 by the state board. Cost-effectiveness shall be calculated by
3 dividing annualized costs by average annual emissions reduction
4 of NO_x in this state.

5 (5) “Covered engine” includes any internal combustion engine
6 or electric motor and drive powering a covered source.

7 (6) “Covered source” includes onroad vehicles of 14,000 pounds
8 GVWR or greater, offroad nonrecreational equipment and vehicles,
9 locomotives, diesel marine vessels, stationary agricultural engines,
10 and, as determined by the state board, other high-emitting diesel
11 engine categories.

12 (7) “Covered vehicle” includes any vehicle or piece of
13 equipment powered by a covered engine.

14 (8) “District” means a county air pollution control district or an
15 air quality management district.

16 (9) “Fund” means the Carl Moyer Memorial Air Quality
17 Standards Attainment Trust Fund created by Section 44299.

18 (10) “Mobile Source Air Pollution Reduction Review
19 Committee” means the Mobile Source Air Pollution Reduction
20 Review Committee created by Section 44244.

21 (11) “Incremental cost” means the cost of the project less a
22 baseline cost that would otherwise be incurred by the applicant in
23 the normal course of business. Incremental costs may include
24 added lease or fuel costs pursuant to Section 44283 as well as
25 incremental capital costs.

26 (12) “New very low emission vehicle” means a vehicle that
27 qualifies as a very low emission vehicle when it is a new vehicle,
28 where new vehicle has the same meaning as defined in Section
29 430 of the Vehicle Code, or that is modified with the approval and
30 warranty of the original equipment manufacturer to qualify as a
31 very low emission vehicle within 12 months of delivery to an
32 owner for private or commercial use.

33 (13) “NO_x” means oxides of nitrogen.

34 (14) “Program” means the Carl Moyer Memorial Air Quality
35 Standards Attainment Program created by subdivision (a) of
36 Section 44280.

37 (15) “Repower” means replacing an engine with a different
38 engine. The term repower, as used in this chapter, generally refers
39 to replacing an older, uncontrolled engine with a new,
40 emissions-certified engine, although replacing an older

1 emissions-certified engine with a newer engine certified to lower
2 emissions standards may be eligible for funding under this program.

3 (16) “Retrofit” means making modifications to the engine and
4 fuel system such that the retrofitted engine does not have the same
5 specifications as the original engine.

6 (17) “Very low emission vehicle” means a vehicle with
7 emissions significantly lower than otherwise applicable baseline
8 emission standards or uncontrolled emission levels pursuant to
9 Section 44282.

10 (b) This section shall become operative on ~~January 1, 2015~~
11 *December 31, 2023*.

12 *SEC. 13. Section 44280 of the Health and Safety Code, as*
13 *amended by Section 6 of Chapter 707 of the Statutes of 2004, is*
14 *amended to read:*

15 44280. (a) There is hereby created the Carl Moyer Memorial
16 Air Quality Standards Attainment Program. The program shall be
17 administered by the state board in accordance with this chapter.
18 The administration of the program may be delegated to the districts.

19 (b) The program shall provide grants to offset the incremental
20 cost of projects that reduce covered emissions from covered sources
21 in California. Eligibility for grant awards shall be determined by
22 the state board, in consultation with the districts, in accordance
23 with this chapter.

24 (c) The program shall also provide funding for a fueling
25 infrastructure demonstration program and for technology
26 development efforts that are expected to result in commercially
27 available technologies in the near-term that would improve the
28 ability of the program to achieve its goals. The infrastructure
29 demonstration and technology development portions of the program
30 shall be managed by the commission, in consultation with the state
31 board.

32 (d) This section shall remain in effect only until ~~January 1, 2015~~
33 *December 31, 2023*, and as of that date is repealed, unless a later
34 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
35 *31, 2023*, deletes or extends that date.

36 *SEC. 14. Section 44280 of the Health and Safety Code, as*
37 *added by Chapter 707 of the Statutes of 2004, is amended to read:*

38 44280. (a) There is hereby created the Carl Moyer Memorial
39 Air Quality Standards Attainment Program. The program shall be

1 administered by the state board in accordance with this chapter.
2 The administration of the program may be delegated to the districts.

3 (b) The program shall provide grants to offset the incremental
4 cost of projects that reduce emissions of NO_x from covered sources
5 in California. Eligibility for grant awards shall be determined by
6 the state board, in consultation with the districts, in accordance
7 with this chapter.

8 (c) The program shall also provide funding for a fueling
9 infrastructure demonstration program and for technology
10 development efforts that are expected to result in commercially
11 available technologies in the near-term that would improve the
12 ability of the program to achieve its goals. The infrastructure
13 demonstration and technology development portions of the program
14 shall be managed by the commission, in consultation with the state
15 board.

16 (d) This section shall become operative on ~~January 1, 2015~~
17 *December 31, 2023*.

18 *SEC. 15. Section 44281 of the Health and Safety Code, as*
19 *amended by Section 7 of Chapter 707 of the Statutes of 2004, is*
20 *amended to read:*

21 44281. (a) Eligible projects include, but are not limited to, any
22 of the following:

23 (1) Purchase of new very low or zero-emission covered vehicles
24 or covered heavy-duty engines.

25 (2) Emission-reducing retrofit of covered engines, or
26 replacement of old engines powering covered sources with newer
27 engines certified to more stringent emissions standards than the
28 engine being replaced, or with electric motors or drives.

29 (3) Purchase and use of emission-reducing add-on equipment
30 that has been verified by the state board for covered vehicles.

31 (4) Development and demonstration of practical, low-emission
32 retrofit technologies, repower options, and advanced technologies
33 for covered engines and vehicles with very low emissions of oxides
34 of nitrogen.

35 (5) Light- and medium-duty vehicle projects in compliance with
36 guidelines adopted by the state board pursuant to Title 13 of the
37 California Code of Regulations.

38 (b) No project shall be funded under this chapter after the
39 compliance date required by any local, state, or federal statute,
40 rule, regulation, memoranda of agreement or understanding, or

1 other legally binding document, except that an otherwise qualified
2 project may be funded even if the State Implementation Plan
3 assumes that the change in equipment, vehicles, or operations will
4 occur, if the change is not required by the compliance date of a
5 statute, regulation, or other legally binding document in effect as
6 of the date the grant is awarded. No project funded by the program
7 shall be used for credit under any state or federal emissions
8 averaging, banking, or trading program. No emission reduction
9 generated by the program shall be used as marketable emission
10 reduction credits or to offset any emission reduction obligation of
11 any person or entity. Projects involving new engines that would
12 otherwise generate marketable credits under state or federal
13 averaging, banking, and trading programs shall include transfer
14 of credits to the engine end user and retirement of those credits
15 toward reducing air emissions in order to qualify for funding under
16 the program. A purchase of a low-emission vehicle or of equipment
17 pursuant to a corporate or a controlling board's policy, but not
18 otherwise required by law, shall generate surplus emissions
19 reductions and may be funded by the program.

20 (c) The program may also provide funding toward installation
21 of fueling or electrification infrastructure as provided in Section
22 44284.

23 (d) Eligible applicants may be any individual, company, or
24 public agency that owns one or more covered vehicles that operate
25 primarily within California or otherwise contribute substantially
26 to the NO_x, PM or ROG emissions inventory in California.

27 (e) It is the intent of the Legislature that all emission reductions
28 generated by this chapter shall contribute to public health by
29 reducing, for the life of the vehicle being funded, the total amount
30 of emissions in California.

31 (f) This section shall remain in effect only until ~~January 1, 2015~~
32 *December 31, 2023*, and as of that date is repealed, unless a later
33 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
34 *31, 2023*, deletes or extends that date.

35 *SEC. 16. Section 44281 of the Health and Safety Code, as*
36 *added by Chapter 707 of the Statutes of 2004, is amended to read:*

37 44281. (a) Eligible projects are any of the following:

38 (1) Purchase of new very low or zero-emission covered vehicles
39 or covered engines.

1 (2) Emission-reducing retrofit of covered engines, or
2 replacement of old engines powering covered sources with newer
3 engines certified to more stringent emissions standards than the
4 engine being replaced, or with electric motors or drives.

5 (3) Purchase and use of emission-reducing add-on equipment
6 for covered vehicles.

7 (4) Development and demonstration of practical, low-emission
8 retrofit technologies, repower options, and advanced technologies
9 for covered engines and vehicles with very low emissions of oxides
10 of nitrogen.

11 (b) No new purchase, retrofit, repower, or add-on equipment
12 shall be funded under this chapter if it is required by any local,
13 state, or federal statute, rule, regulation, memoranda of agreement
14 or understanding, or other legally binding document, except that
15 an otherwise qualified project may be funded even if the State
16 Implementation Plan assumes that the change in equipment,
17 vehicles, or operations will occur, if the change is not required by
18 a statute, regulation, or other legally binding document in effect
19 as of the date the grant is awarded. No project funded by the
20 program shall be used for credit under any state or federal
21 emissions averaging, banking, or trading program. No emission
22 reduction generated by the program shall be used as marketable
23 emission reduction credits or to offset any emission reduction
24 obligation of any entity. Projects involving new engines that would
25 otherwise generate marketable credits under state or federal
26 averaging, banking, and trading programs shall include transfer
27 of credits to the engine end user and retirement of those credits
28 toward reducing air emissions in order to qualify for funding under
29 the program. A purchase of a low-emission vehicle or of equipment
30 pursuant to a corporate or a controlling board's policy, but not
31 otherwise required by law, shall generate surplus emissions
32 reductions and may be funded by the program.

33 (c) The program may also provide funding toward installation
34 of fueling or electrification infrastructure as provided in Section
35 44284.

36 (d) Eligible applicants may be any individual, company, or
37 public agency that owns one or more covered vehicles that operate
38 primarily within California or otherwise contribute substantially
39 to the NO_x emissions inventory in California.

(e) It is the intent of the Legislature that all emission reductions generated by this chapter shall contribute to public health by reducing, for the life of the vehicle being funded, the total amount of emissions in California.

(f) This section shall become operative on ~~January 1, 2015~~ December 31, 2023.

SEC. 17. Section 44282 of the Health and Safety Code, as amended by Section 8 of Chapter 707 of the Statutes of 2004, is amended to read:

44282. The following criteria apply to all projects to be funded through the program except for projects funded through the Advanced Technology Account and the Infrastructure Demonstration Program:

(a) The state board may establish project criteria, including minimum project life for source categories, in the guidelines described in Section 44287. For previously unregulated source categories, project criteria shall consider the timing of newly established regulatory requirements.

(b) To be eligible, projects shall meet the cost-effectiveness per ton of covered emissions reduced requirements of Section 44283.

(c) To be eligible, retrofits, repowers, and installation of add-on equipment for covered vehicles shall be performed, or new covered vehicles delivered to the end user, or covered vehicles scrapped on or after the date the program is implemented.

(d) Retrofit technologies, new engines, and new vehicles shall be certified for sale or under experimental permit for operation in California.

(e) Repower projects that replace older, uncontrolled engines with new, emissions-certified engines or that replace emissions-certified engines with new engines certified to a more stringent NO_x emissions standard are approvable subject to the other applicable selection criteria. The state board shall determine appropriate baseline emission levels for the uncontrolled engines being replaced.

(f) For heavy-duty-vehicle projects, retrofit and add-on equipment projects shall document a NO_x or PM emission reduction of at least 25 percent and no increase in other covered emissions compared to the applicable baseline emissions accepted by the state board for that engine year and application. The state board shall determine appropriate baseline emission levels.

1 Acceptable documentation shall be defined by the state board.
2 After study of available emission reduction technologies and after
3 public notice and comment, the state board may revise the
4 minimum percentage emission reduction criterion for retrofits and
5 add-on equipment provided for in this section to improve the ability
6 of the program to achieve its goals.

7 (g) (1) For heavy-duty-vehicle projects involving the purchase
8 of new very low or zero-emission vehicles, engines shall be
9 certified to an optional low NO_x emissions standard established
10 by the state board, except as provided for in paragraph (2).

11 (2) For heavy-duty-vehicle projects involving the purchase of
12 new very low or zero-emission covered vehicles for which no
13 optional low NO_x emission standards are available, documentation
14 shall be provided showing that the low or zero-emission engine
15 emits not more than 70 percent of the NO_x or NO_x plus
16 hydrocarbon emissions of a new engine certified to the applicable
17 baseline NO_x or NO_x plus hydrocarbon emission standard for that
18 engine and meets applicable particulate standards. The state board
19 shall specify the documentation required. If no baseline emission
20 standard exists for new vehicles in a particular category, the state
21 board shall determine an appropriate baseline emission level for
22 comparison.

23 (h) For projects other than heavy-duty-vehicle projects, the state
24 board shall determine appropriate criteria under the provisions of
25 Section 44287.

26 (i) This section shall remain in effect only until ~~January 1, 2015~~
27 *December 31, 2023*, and as of that date is repealed, unless a later
28 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
29 *31, 2023*, deletes or extends that date.

30 *SEC. 18. Section 44282 of the Health and Safety Code, as*
31 *added by Chapter 707 of the Statutes of 2004, is amended to read:*

32 44282. The following criteria apply to all projects to be funded
33 through the program except for projects funded through the
34 Advanced Technology Account and the Infrastructure
35 Demonstration Program:

36 (a) Except for projects involving marine vessels, 75 percent or
37 more of vehicle miles traveled or hours of operation shall be
38 projected to be in California for at least five years following the
39 grant award. Projects involving marine vessels and engines shall
40 be limited to those that spend enough time operating in California

1 air basins over the lifetime of the project to meet the
2 cost-effectiveness criteria based on NO_x reductions in California,
3 as provided in Section 44283.

4 (b) To be eligible, projects shall meet cost-effectiveness per ton
5 of NO_x reduced requirements of Section 44283.

6 (c) To be eligible, retrofits, repowers, and installation of add-on
7 equipment for covered vehicles shall be performed, or new covered
8 vehicles delivered to the end user, on or after the date the program
9 is implemented.

10 (d) Retrofit technologies, new engines, and new vehicles shall
11 be certified for sale or under experimental permit for operation in
12 California.

13 (e) Repower projects that replace older, uncontrolled engines
14 with new, emissions-certified engines or that replace
15 emissions-certified engines with new engines certified to a more
16 stringent NO_x emissions standard are approvable subject to the
17 other applicable selection criteria. The state board shall determine
18 appropriate baseline emission levels for the uncontrolled engines
19 being replaced.

20 (f) Retrofit and add-on equipment projects shall document a
21 NO_x emission reduction of at least 25 percent and no increase in
22 particulate emissions compared to the applicable baseline emissions
23 accepted by the state board for that engine year and application.
24 The state board shall determine appropriate baseline emission
25 levels. Acceptable documentation shall be defined by the state
26 board. After study of available emission reduction technologies
27 and after public notice and comment, the state board may revise
28 the minimum percentage NO_x reduction criterion for retrofits and
29 add-on equipment provided for in this section to improve the ability
30 of the program to achieve its goals.

31 (g) (1) For projects involving the purchase of new very low or
32 zero-emission vehicles, engines shall be certified to an optional
33 low NO_x emissions standard established by the state board, except
34 as provided for in paragraph (2).

35 (2) For projects involving the purchase of new very low or
36 zero-emission covered vehicles for which no optional low NO_x
37 emission standards are available, documentation shall be provided
38 showing that the low or zero-emission engine emits not more than
39 70 percent of the NO_x or NO_x plus hydrocarbon emissions of a
40 new engine certified to the applicable baseline NO_x or NO_x plus

1 hydrocarbon emission standard for that engine and meets applicable
2 particulate standards. The state board shall specify the
3 documentation required. If no baseline emission standard exists
4 for new vehicles in a particular category, the state board shall
5 determine an appropriate baseline emission level for comparison.

6 (h) This section shall become operative on ~~January 1, 2015~~
7 *December 31, 2023.*

8 *SEC. 19. Section 44283 of the Health and Safety Code, as*
9 *amended by Section 1 of Chapter 571 of the Statutes of 2010, is*
10 *amended to read:*

11 44283. (a) Grants shall not be made for projects with a
12 cost-effectiveness, calculated in accordance with this section, of
13 more than thirteen thousand six hundred dollars (\$13,600) per ton
14 of NO_x reduced in California or a higher value that reflects state
15 consumer price index adjustments on or after January 1, 2006, as
16 determined by the state board. For projects obtaining reactive
17 organic gas and particulate matter reductions, the state board shall
18 determine appropriate adjustment factors to calculate a weighted
19 cost-effectiveness.

20 (b) Only covered emission reductions occurring in this state
21 shall be included in the cost-effectiveness determination. The
22 extent to which emissions generated at sea contribute to air quality
23 in California nonattainment areas shall be incorporated into these
24 methodologies based on a reasonable assessment of currently
25 available information and modeling assumptions.

26 (c) The state board shall develop protocols for calculating the
27 surplus covered emission reductions in California from
28 representative project types over the life of the project.

29 (d) The cost of the covered emission reduction is the amount
30 of the grant from the program, including matching funds provided
31 pursuant to subdivision (e) of Section 44287, plus any other state
32 funds, or funds under the district's budget authority or fiduciary
33 control, provided toward the project, not including funds described
34 in paragraphs (1) and (2) of subdivision (a) of Section 44287.2.
35 The state board shall establish reasonable methodologies for
36 evaluating project cost-effectiveness, consistent with the definition
37 contained in paragraph (4) of subdivision (a) of Section 44275,
38 and with accepted methods, taking into account a fair and
39 reasonable discount rate or time value of public funds.

1 (e) A grant shall not be made that, net of taxes, provides the
2 applicant with funds in excess of the incremental cost of the project.
3 Incremental lease costs may be capitalized according to guidelines
4 adopted by the state board so that these incremental costs may be
5 offset by a one-time grant award.

6 (f) Funds under a district's budget authority or fiduciary control
7 may be used to pay for the incremental cost of liquid or gaseous
8 fuel, other than standard gasoline or diesel, which is integral to a
9 covered emission reducing technology that is part of a project
10 receiving grant funding under the program. The fuel shall be
11 approved for sale by the state board. The incremental fuel cost
12 over the expected lifetime of the vehicle may be offset by the
13 district if the project as a whole, including the incremental fuel
14 cost, meets all of the requirements of this chapter, including the
15 maximum allowed cost-effectiveness. The state board shall develop
16 an appropriate methodology for converting incremental fuel costs
17 over the vehicle lifetime into an initial cost for the purposes of
18 determining project cost-effectiveness. Incremental fuel costs shall
19 not be included in project costs for fuels dispensed from any facility
20 that was funded, in whole or in part, from the fund.

21 (g) For purposes of determining any grant amount pursuant to
22 this chapter, the incremental cost of any new purchase, retrofit,
23 repower, or add-on equipment shall be reduced by the value of
24 any current financial incentive that directly reduces the project
25 price, including any tax credits or deductions, grants, or other
26 public financial assistance, not including funds described in
27 paragraphs (1) and (2) of subdivision (a) of Section 44287.2.
28 Project proponents applying for funding shall be required to state
29 in their application any other public financial assistance to the
30 project.

31 (h) For projects that would repower offroad equipment by
32 replacing uncontrolled diesel engines with new, certified diesel
33 engines, the state board may establish maximum grant award
34 amounts per repower. A repower project shall also be subject to
35 the incremental cost maximum pursuant to subdivision (e).

36 (i) After study of available emission reduction technologies and
37 costs and after public notice and comment, the state board may
38 reduce the values of the maximum grant award criteria stated in
39 this section to improve the ability of the program to achieve its
40 goals. Every year the state board shall adjust the maximum

1 cost-effectiveness amount established in subdivision (a) and any
2 per-project maximum set by the state board pursuant to subdivision
3 (h) to account for inflation.

4 (j) This section shall remain in effect only until ~~January 1, 2015~~
5 *December 31, 2023*, and as of that date is repealed, unless a later
6 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
7 *31, 2023*, deletes or extends that date.

8 *SEC. 20. Section 44283 of the Health and Safety Code, as*
9 *amended by Section 2 of Chapter 571 of the Statutes of 2010, is*
10 *amended to read:*

11 44283. (a) Grants shall not be made for projects with a
12 cost-effectiveness, calculated in accordance with this section, of
13 more than twelve thousand dollars (\$12,000) per ton of NO_x
14 reduced in California or a higher value that reflects state consumer
15 price index adjustments on or after ~~January 1, 2015~~ *December 31,*
16 *2023*, as determined by the state board.

17 (b) Only NO_x reductions occurring in this state shall be included
18 in the cost-effectiveness determination. The extent to which
19 emissions generated at sea contribute to air quality in California
20 nonattainment areas shall be incorporated into these methodologies
21 based on a reasonable assessment of currently available information
22 and modeling assumptions.

23 (c) The state board shall develop protocols for calculating the
24 surplus NO_x reductions in California from representative project
25 types over the life of the project.

26 (d) The cost of the NO_x reduction is the amount of the grant
27 from the program, including matching funds provided pursuant to
28 subdivision (e) of Section 44287, plus any other state funds, or
29 funds under the district's budget authority or fiduciary control,
30 provided toward the project, not including funds described in
31 paragraphs (1) and (2) of subdivision (a) of Section 44287.2. The
32 state board shall establish reasonable methodologies for evaluating
33 project cost-effectiveness, consistent with the definition contained
34 in paragraph (4) of subdivision (a) of Section 44275, and with
35 accepted methods, taking into account a fair and reasonable
36 discount rate or time value of public funds.

37 (e) A grant shall not be made that, net of taxes, provides the
38 applicant with funds in excess of the incremental cost of the project.
39 Incremental lease costs may be capitalized according to guidelines

1 adopted by the state board so that these incremental costs may be
2 offset by a one-time grant award.

3 (f) Funds under a district's budget authority or fiduciary control
4 may be used to pay for the incremental cost of liquid or gaseous
5 fuel, other than standard gasoline or diesel, which is integral to a
6 NO_x reducing technology that is part of a project receiving grant
7 funding under the program. The fuel shall be approved for sale by
8 the state board. The incremental fuel cost over the expected lifetime
9 of the vehicle may be offset by the district if the project as a whole,
10 including the incremental fuel cost, meets all of the requirements
11 of this chapter, including the maximum allowed cost-effectiveness.
12 The state board shall develop an appropriate methodology for
13 converting incremental fuel costs over the vehicle lifetime into an
14 initial cost for the purposes of determining project
15 cost-effectiveness. Incremental fuel costs shall not be included in
16 project costs for fuels dispensed from any facility that was funded,
17 in whole or in part, from the fund.

18 (g) For purposes of determining any grant amount pursuant to
19 this chapter, the incremental cost of any new purchase, retrofit,
20 repower, or add-on equipment shall be reduced by the value of
21 any current financial incentive that directly reduces the project
22 price, including any tax credits or deductions, grants, or other
23 public financial assistance, not including funds described in
24 paragraphs (1) and (2) of subdivision (a) of Section 44287.2.
25 Project proponents applying for funding shall be required to state
26 in their application any other public financial assistance to the
27 project.

28 (h) For projects that would repower offroad equipment by
29 replacing uncontrolled diesel engines with new, certified diesel
30 engines, the state board may establish maximum grant award
31 amounts per repower. A repower project shall also be subject to
32 the incremental cost maximum pursuant to subdivision (e).

33 (i) After study of available emission reduction technologies and
34 costs and after public notice and comment, the state board may
35 reduce the values of the maximum grant award criteria stated in
36 this section to improve the ability of the program to achieve its
37 goals. Every year the state board shall adjust the maximum
38 cost-effectiveness amount established in subdivision (a) and any
39 per-project maximum set by the state board pursuant to subdivision
40 (h) to account for inflation.

1 (j) This section shall become operative on ~~January 1, 2015~~
2 *December 31, 2023.*

3 *SEC. 21. Section 44287 of the Health and Safety Code, as*
4 *amended by Section 10 of Chapter 707 of the Statutes of 2004, is*
5 *amended to read:*

6 44287. (a) The state board shall establish or update grant
7 criteria and guidelines consistent with this chapter for covered
8 vehicle projects as soon as practicable, but not later than January
9 1, 2006. The adoption of guidelines is exempt from the rulemaking
10 provisions of the Administrative Procedure Act, Chapter 3.5
11 (commencing with Section 11340) of Part 1 of Division 3 of Title
12 2 of the Government Code. The state board shall solicit input and
13 comment from the districts during the development of the criteria
14 and guidelines and shall make every effort to develop criteria and
15 guidelines that are compatible with existing district programs that
16 are also consistent with this chapter. Guidelines shall include
17 protocols to calculate project cost-effectiveness. The grant criteria
18 and guidelines shall include safeguards to ensure that the project
19 generates surplus emissions reductions. Guidelines shall enable
20 and encourage districts to cofund projects that provide emissions
21 reductions in more than one district. The state board shall make
22 draft criteria and guidelines available to the public 45 days before
23 final adoption, and shall hold at least one public meeting to
24 consider public comments before final adoption. The state board
25 may develop separate guidelines and criteria for the different types
26 of eligible projects described in subdivision (a) of Section 44281.

27 (b) The state board, in consultation with the participating
28 districts, may propose revisions to the criteria and guidelines
29 established pursuant to subdivision (a) as necessary to improve
30 the ability of the program to achieve its goals. A proposed revision
31 shall be made available to the public 45 days before final adoption
32 of the revision and the state board shall hold at least one public
33 meeting to consider public comments before final adoption of the
34 revision.

35 (c) The state board shall reserve funds for, and disburse funds
36 to, districts from the fund for administration pursuant to this section
37 and Section 44299.1.

38 (d) The state board shall develop guidelines for a district to
39 follow in applying for the reservation of funds, in accordance with
40 this chapter. It is the intent of the Legislature that district

1 administration of any reserved funds be in accordance with the
2 project selection criteria specified in Sections 44281, 44282, and
3 44283 and all other provisions of this chapter. The guidelines shall
4 be established and published by the state board as soon as
5 practicable, but not later than January 1, 2006.

6 (e) Funds shall be reserved by the state board for administration
7 by a district that adopts an eligible program pursuant to this chapter
8 and offers matching funds at a ratio of one dollar (\$1) of matching
9 funds committed by the district or the Mobile Source Air Pollution
10 Reduction Review Committee for every two dollars (\$2) committed
11 from the fund. Funds available to the Mobile Source Air Pollution
12 Reduction Review Committee may be counted as matching funds
13 for projects in the South Coast Air Basin only if the committee
14 approves the use of these funds for matching purposes. Matching
15 funds may be any funds under the district's budget authority that
16 are committed to be expended in accordance with the program.
17 Funds committed by a port authority or a local government, in
18 cooperation with a district, to be expended in accordance with the
19 program may also be counted as district matching funds. Matching
20 funds provided by a port authority or a local government may not
21 exceed 30 percent of the total required matching funds in any
22 district that applies for more than three hundred thousand dollars
23 (\$300,000) of the state board funds. Only a district, or a port
24 authority or a local government teamed with a district, may provide
25 matching funds.

26 (f) The state board may adjust the ratio of matching funds
27 described in subdivision (e), if it determines that an adjustment is
28 necessary in order to maximize the use of, or the air quality benefits
29 provided by, the program, based on a consideration of the financial
30 resources of the district.

31 (g) Notwithstanding subdivision (e), a district need not provide
32 matching funds for state board funds allocated to the district for
33 program outreach activities pursuant to paragraph (4) of subdivision
34 (a) of Section 44299.1.

35 (h) A district may include within its matching funds a reasonable
36 estimate of direct or in-kind costs for assistance in providing
37 program outreach and application evaluation. In-kind and direct
38 matching funds shall not exceed 15 percent of the total matching
39 funds offered by a district. A district may also include within its
40 matching funds any money spent on or after February 25, 1999,

1 that would have qualified as matching funds but were not
2 previously claimed as matching funds.

3 (i) A district desiring a reservation of funds shall apply to the
4 state board following the application guidelines established
5 pursuant to this section. The state board shall approve or disapprove
6 a district application not later than 60 days after receipt. Upon
7 approval of any district application, the state board shall
8 simultaneously approve a reservation of funding for that district
9 to administer. Reserved funds shall be disbursed to the district so
10 that funding of a district-approved project is not impeded.

11 (j) Notwithstanding any other provision of this chapter, districts
12 and the Mobile Source Air Pollution Reduction Review Committee
13 shall not use funds collected pursuant to Section 41081 or Chapter
14 7 (commencing with Section 44220), or pursuant to Section
15 9250.11 of the Vehicle Code, as matching funds to fund a project
16 with stationary or portable engines, locomotives, or marine vessels.

17 (k) Any funds reserved for a district pursuant to this section are
18 available to the district for a period of not more than two years
19 from the time of reservation. Funds not expended by June 30 of
20 the second calendar year following the date of the reservation shall
21 revert back to the state board as of that June 30, and shall be
22 deposited in the Covered Vehicle Account established pursuant to
23 Section 44299. The funds may then be redirected based on
24 applications to the fund. Regardless of any reversion of funds back
25 to the state board, the district may continue to request other
26 reservations of funds for local administration. Each reservation of
27 funds shall be accounted for separately, and unused funds from
28 each application shall revert back to the state board as specified
29 in this subdivision.

30 (l) The state board shall specify a date each year when district
31 applications are due. If the eligible applications received in any
32 year oversubscribe the available funds, the state board shall reserve
33 funds on an allocation basis, pursuant to Section 44299.2. The
34 state board may accept a district application after the due date for
35 a period of months specified by the state board. Funds may be
36 reserved in response to those applications, in accordance with this
37 chapter, out of funds remaining after the original reservation of
38 funds for the year.

39 (m) Guidelines for a district application shall require information
40 from an applicant district to the extent necessary to meet the

1 requirements of this chapter, but shall otherwise minimize the
2 information required of a district.

3 (n) A district application shall be reviewed by the state board
4 immediately upon receipt. If the state board determines that an
5 application is incomplete, the applicant shall be notified within 10
6 working days with an explanation of what is missing from the
7 application. A completed application fulfilling the criteria shall be
8 approved as soon as practicable, but not later than 60 working days
9 after receipt.

10 (o) The commission, in consultation with the districts, shall
11 establish project approval criteria and guidelines for infrastructure
12 projects consistent with Section 44284 as soon as practicable, but
13 not later than February 15, 2000. The commission shall make draft
14 criteria and guidelines available to the public 45 days before final
15 adoption, and shall hold at least one public meeting to consider
16 public comments before final adoption.

17 (p) The commission, in consultation with the participating
18 districts, may propose revisions to the criteria and guidelines
19 established pursuant to subdivision (o) as necessary to improve
20 the ability of the program to achieve its goals. A revision may be
21 proposed at any time, or may be proposed in response to a finding
22 made in the annual report on the program published by the state
23 board pursuant to Section 44295. A proposed revision shall be
24 made available to the public 45 days before final adoption of the
25 revision and the commission shall hold at least one public meeting
26 to consider public comments before final adoption of the revision.

27 (q) Unclaimed funds will be allocated by the state board in
28 accordance with Section 44299.2.

29 (r) This section shall remain in effect only until ~~January 1, 2015~~
30 *December 31, 2023*, and as of that date is repealed, unless a later
31 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
32 *31, 2023*, deletes or extends that date.

33 *SEC. 22. Section 44287 of the Health and Safety Code, as*
34 *added by Chapter 707 of the Statutes of 2004, is amended to read:*

35 44287. (a) The state board shall establish grant criteria and
36 guidelines consistent with this chapter for covered vehicle projects
37 as soon as practicable, but not later than January 1, 2000. The
38 adoption of guidelines is exempt from the rulemaking provisions
39 of the Administrative Procedure Act, Chapter 3.5 (commencing
40 with Section 11340) of Part 1 of Division 3 of Title 2 of the

1 Government Code. The state board shall solicit input and comment
2 from the districts during the development of the criteria and
3 guidelines and shall make every effort to develop criteria and
4 guidelines that are compatible with existing district programs that
5 are also consistent with this chapter. Guidelines shall include
6 protocols to calculate project cost-effectiveness. The grant criteria
7 and guidelines shall include safeguards to ensure that the project
8 generates surplus emissions reductions. Guidelines shall enable
9 and encourage districts to cofund projects that provide emissions
10 reductions in more than one district. The state board shall make
11 draft criteria and guidelines available to the public 45 days before
12 final adoption, and shall hold at least one public meeting to
13 consider public comments before final adoption.

14 (b) The state board, in consultation with the participating
15 districts, may propose revisions to the criteria and guidelines
16 established pursuant to subdivision (a) as necessary to improve
17 the ability of the program to achieve its goals. A proposed revision
18 shall be made available to the public 45 days before final adoption
19 of the revision and the state board shall hold at least one public
20 meeting to consider public comments before final adoption of the
21 revision.

22 (c) The state board shall reserve funds for, and disburse funds
23 to, districts from the fund for administration pursuant to this section
24 and Section 44299.1.

25 (d) The state board shall develop guidelines for a district to
26 follow in applying for the reservation of funds, in accordance with
27 this chapter. It is the intent of the Legislature that district
28 administration of any reserved funds be in accordance with the
29 project selection criteria specified in Sections 44281, 44282, and
30 44283 and all other provisions of this chapter. The guidelines shall
31 be established and published by the state board as soon as
32 practicable, but not later than January 1, 2000.

33 (e) Funds shall be reserved by the state board for administration
34 by a district that adopts an eligible program pursuant to this chapter
35 and offers matching funds at a ratio of one dollar (\$1) of matching
36 funds committed by the district or the Mobile Source Air Pollution
37 Reduction Review Committee for every two dollars (\$2) committed
38 from the fund. Funds available to the Mobile Source Air Pollution
39 Reduction Review Committee may be counted as matching funds
40 for projects in the South Coast Air Basin only if the committee

1 approves the use of these funds for matching purposes. Matching
2 funds may be any funds under the district's budget authority that
3 are committed to be expended in accordance with the program.
4 Funds committed by a port authority or a local government, in
5 cooperation with a district, to be expended in accordance with the
6 program may also be counted as district matching funds. Matching
7 funds provided by a port authority or a local government may not
8 exceed 30 percent of the total required matching funds in any
9 district that applies for more than three hundred thousand dollars
10 (\$300,000) of the state board funds. Only a district, or a port
11 authority or a local government teamed with a district, may provide
12 matching funds.

13 (f) The state board may adjust the ratio of matching funds
14 described in subdivision (e), if it determines that an adjustment is
15 necessary in order to maximize the use of, or the air quality benefits
16 provided by, the program, based on a consideration of the financial
17 resources of the district.

18 (g) Notwithstanding subdivision (e), a district need not provide
19 matching funds for state board funds allocated to the district for
20 program outreach activities pursuant to paragraph (4) of subdivision
21 (a) of Section 44299.1.

22 (h) A district may include within its matching funds a reasonable
23 estimate of direct or in-kind costs for assistance in providing
24 program outreach and application evaluation. In-kind and direct
25 matching funds shall not exceed 15 percent of the total matching
26 funds offered by a district. A district may also include within its
27 matching funds any money spent on or after February 25, 1999,
28 that would have qualified as matching funds but were not
29 previously claimed as matching funds.

30 (i) A district desiring a reservation of funds shall apply to the
31 state board following the application guidelines established
32 pursuant to this section. The state board shall approve or disapprove
33 a district application not later than 60 days after receipt. Upon
34 approval of any district application, the state board shall
35 simultaneously approve a reservation of funding for that district
36 to administer. Reserved funds shall be disbursed to the district so
37 that funding of a district-approved project is not impeded.

38 (j) Notwithstanding any other provision of this chapter, districts
39 and the Mobile Source Air Pollution Reduction Review Committee
40 shall not use funds collected pursuant to Section 41081 or Chapter

7 (commencing with Section 44220), or pursuant to Section 9250.11 of the Vehicle Code, as matching funds to fund a project with stationary or portable engines, locomotives, or marine vessels.

(k) Any funds reserved for a district pursuant to this section are available to the district for a period of not more than two years from the time of reservation. Funds not expended by June 30 of the second calendar year following the date of the reservation shall revert back to the state board as of that June 30, and shall be deposited in the Covered Vehicle Account established pursuant to Section 44299. The funds may then be redirected based on applications to the fund. Regardless of any reversion of funds back to the state board, the district may continue to request other reservations of funds for local administration. Each reservation of funds shall be accounted for separately, and unused funds from each application shall revert back to the state board as specified in this subdivision.

(l) The state board shall specify a date each year when district applications are due. If the eligible applications received in any year oversubscribe the available funds, the state board shall reserve funds on an allocation basis, pursuant to subdivision (b) of Section 44299.1. The state board may accept a district application after the due date for a period of months specified by the state board. Funds may be reserved in response to those applications, in accordance with this chapter, out of funds remaining after the original reservation of funds for the year.

(m) Guidelines for a district application shall require information from an applicant district to the extent necessary to meet the requirements of this chapter, but shall otherwise minimize the information required of a district.

(n) A district application shall be reviewed by the state board immediately upon receipt. If the state board determines that an application is incomplete, the applicant shall be notified within 10 working days with an explanation of what is missing from the application. A completed application fulfilling the criteria shall be approved as soon as practicable, but not later than 60 working days after receipt.

(o) The state board, in consultation with the districts, shall establish project approval criteria and guidelines for infrastructure projects consistent with Section 44284 as soon as practicable, but not later than February 15, 2000. The commission shall make draft

1 criteria and guidelines available to the public 45 days before final
2 adoption, and shall hold at least one public meeting to consider
3 public comments before final adoption.

4 (p) The state board, in consultation with the participating
5 districts, may propose revisions to the criteria and guidelines
6 established pursuant to subdivision (o) as necessary to improve
7 the ability of the program to achieve its goals. A revision may be
8 proposed at any time, or may be proposed in response to a finding
9 made in the annual report on the program published by the state
10 board pursuant to Section 44295. A proposed revision shall be
11 made available to the public 45 days before final adoption of the
12 revision and the commission shall hold at least one public meeting
13 to consider public comments before final adoption of the revision.

14 (q) This section shall become operative on ~~January 1, 2015~~
15 *December 31, 2023*.

16 *SEC. 23. Section 44299.1 of the Health and Safety Code, as*
17 *amended by Section 3 of Chapter 627 of the Statutes of 2006, is*
18 *amended to read:*

19 44299.1. (a) To ensure that emission reductions are obtained
20 as needed from pollution sources, any money deposited in or
21 appropriated to the fund shall be segregated and administered as
22 follows:

23 (1) Not more than 2 percent of the moneys in the fund shall be
24 allocated to program support and outreach costs incurred by the
25 state board and the commission directly associated with
26 implementing the program pursuant to this chapter. These funds
27 shall be allocated to the state board and the commission in
28 proportion to total program funds administered by the state board
29 and the commission.

30 (2) Not more than 2 percent of the moneys in the fund shall be
31 allocated to direct program outreach activities. The state board
32 may use these funds for program outreach contracts or may allocate
33 outreach funds to participating air districts in proportion to each
34 district's allocation from the Covered Vehicle Account. The state
35 board shall report on the use of outreach funds in their reports to
36 the Legislature pursuant to Section 44295.

37 (3) The balance shall be deposited in the Covered Vehicle
38 Account to be expended to offset added costs of new very low or
39 zero-emission vehicle technologies, and emission reducing

1 repowers, retrofits, and add-on equipment for covered vehicles
2 and engines, and other projects specified in Section 44281.

3 (b) Funds in the Covered Vehicle Account shall be allocated to
4 a district that submits an eligible application to the state board
5 pursuant to Section 44287. The state board shall determine the
6 maximum amount of annual funding from the Covered Vehicle
7 Account that each district may receive. This determination shall
8 be based on the population in each district as well as the relative
9 importance of obtaining covered emission reductions in each
10 district, specifically through the program.

11 (c) Not more than 5 percent of the moneys allocated pursuant
12 to this chapter to a district with a population of one million or more
13 may be used by the district for indirect costs of implementation of
14 the program, including outreach costs that are subject to the
15 limitation in paragraph (2) of subdivision (a).

16 (d) Not more than 10 percent of the moneys allocated pursuant
17 to this chapter to a district with a population of less than one
18 million may be used by the district for indirect costs of
19 implementation of the program, including outreach costs that are
20 subject to the limitation in paragraph (2) of subdivision (a).

21 (e) This section shall remain in effect only until ~~January 1, 2015~~
22 *December 31, 2023*, and as of that date is repealed, unless a later
23 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
24 *31, 2023*, deletes or extends that date.

25 *SEC. 24. Section 44299.1 of the Health and Safety Code, as*
26 *added by Chapter 707 of the Statutes of 2004, is amended to read:*

27 44299.1. (a) To ensure that emission reductions are obtained
28 as needed from pollution sources, any money deposited in or
29 appropriated to the fund shall be segregated and administered as
30 follows:

31 (1) Ten percent, not to exceed two million dollars (\$2,000,000),
32 shall be allocated to the Infrastructure Demonstration Project to
33 be used pursuant to Section 44284.

34 (2) Ten percent shall be deposited in the Advanced Technology
35 Account to be used to support research, development,
36 demonstration, and commercialization of advanced low-emission
37 technologies for covered sources that show promise of contributing
38 to the goals of the program.

39 (3) Not more than 2 percent of the moneys in the fund shall be
40 allocated to program support and outreach costs incurred by the

1 state board and the commission directly associated with
2 implementing the program pursuant to this chapter. These funds
3 shall be allocated to the state board and the commission in
4 proportion to total program funds administered by the state board
5 and the commission.

6 (4) Not more than 2 percent of the moneys in the fund shall be
7 allocated to direct program outreach activities. The state board
8 may use these funds for program outreach contracts or may allocate
9 outreach funds to participating air districts in proportion to each
10 district's allocation from the Covered Vehicle Account. The state
11 board shall report on the use of outreach funds in their reports to
12 the Legislature pursuant to Section 44295.

13 (5) The balance shall be deposited in the Covered Vehicle
14 Account to be expended to offset added costs of new very low or
15 zero-emission vehicle technologies, and emission reducing
16 repowers, retrofits, and add-on equipment for covered vehicles
17 and engines.

18 (b) Funds in the Covered Vehicle Account shall be allocated to
19 a district that submits an eligible application to the state board
20 pursuant to Section 44287. The state board shall determine the
21 maximum amount of annual funding from the Covered Vehicle
22 Account that each district may receive. This determination shall
23 be based on the population in each district as well as the relative
24 importance of obtaining NO_x reductions in each district,
25 specifically through the program.

26 (c) This section shall become operative on ~~January 1, 2015~~
27 *December 31, 2023*.

28 *SEC. 25. Section 44299.2 of the Health and Safety Code is*
29 *amended to read:*

30 44299.2. Funds shall be allocated to local air pollution control
31 and air quality management districts, and shall be subject to
32 administrative terms and conditions as follows:

33 (a) Available funds shall be distributed to districts taking into
34 consideration the population of the area, the severity of the air
35 quality problems experienced by the population, and the historical
36 allocation of the Carl Moyer Memorial Air Quality Standards
37 Attainment Trust Fund, except that the south coast district shall
38 be allocated a percentage of the total funds available to districts
39 that is proportional to the percentage of the total state population
40 residing within the jurisdictional boundaries of that district. For

1 the purposes of this subdivision, population shall be determined
2 by the state board based on the most recent data provided by the
3 Department of Finance. The allocation to the south coast district
4 shall be subtracted from the total funds available to districts. Each
5 district, except the south coast district, shall be awarded a minimum
6 allocation of two hundred thousand dollars (\$200,000), and the
7 remainder, which shall be known as the “allocation amount,” shall
8 be allocated to all districts as follows:

9 (1) The state board shall distribute 35 percent of the allocation
10 amount to the districts in proportion to the percentage of the total
11 residual state population that resides within each district’s
12 boundaries. For purposes of this paragraph, “total residual state
13 population” means the total state population, less the total
14 population that resides within the south coast district.

15 (2) The state board shall distribute 35 percent of the allocation
16 amount to the districts in proportion to the severity of the air quality
17 problems to which each district’s population is exposed. The
18 severity of the exposure shall be calculated as follows:

19 (A) Each district shall be awarded severity points based on the
20 district’s attainment designation and classification, as most recently
21 promulgated by the federal Environmental Protection Agency for
22 the National Ambient Air Quality Standard for ozone averaged
23 over eight hours, as follows:

24 (i) A district that is designated attainment for the federal
25 eight-hour ozone standard shall be awarded one point.

26 (ii) A district that is designated nonattainment for the federal
27 eight-hour ozone standard shall be awarded severity points based
28 on classification. Two points shall be awarded for transitional,
29 basic, or marginal classifications, three points for moderate
30 classification, four points for serious classification, five points for
31 severe classification, six points for severe-17 classification, and
32 seven points for extreme classification.

33 (B) Each district shall be awarded severity points based on the
34 annual diesel particulate emissions in the air basin, as determined
35 by the state board. One point shall be awarded to the district, in
36 increments, for each 1,000 tons of diesel particulate emissions. In
37 making this determination, 0 to 999 tons shall be awarded no
38 points, 1,000 to 1,999 tons shall be awarded one point, 2,000 to
39 2,999 tons shall be awarded two points, and so forth. If a district
40 encompasses more than one air basin, the air basin with the greatest

1 diesel particulate emissions shall be used to determine the points
2 awarded to the district. The San Diego County Air Pollution
3 Control District and the Imperial County Air Pollution Control
4 District shall be awarded one additional point each to account for
5 annual diesel particulate emissions transported from Mexico.

6 (C) The points awarded under subparagraphs (A) and (B), shall
7 be added together for each district, and the total shall be multiplied
8 by the population residing within the district boundaries, to yield
9 the local air quality exposure index.

10 (D) The local air quality exposure index for each district shall
11 be summed together to yield a total state exposure index. Funds
12 shall be allocated under this paragraph to each district in proportion
13 to its local air quality exposure index divided by the total state
14 exposure index.

15 (3) The state board shall distribute 30 percent of the allocation
16 amount to the districts in proportion to the allocation of funds from
17 the Carl Moyer Memorial Air Quality Standards Attainment Trust
18 Fund, as follows:

19 (A) Because each district is awarded a minimum allocation
20 pursuant to subdivision (a), there shall be no additional minimum
21 allocation from the Carl Moyer historical allocation funds. The
22 total amount allocated in this way shall be subtracted from total
23 funding previously awarded to the district under the Carl Moyer
24 Memorial Air Quality Standards Attainment Program, and the
25 remainder, which shall be known as directed funds, shall be
26 allocated pursuant to subparagraph (B).

27 (B) Each district with a population that is greater than or equal
28 to 1 percent of the state's population shall receive an additional
29 allocation based on the population of the district and the district's
30 relative share of emission reduction commitments in the State
31 Implementation Plan to attain the National Ambient Air Quality
32 Standard for ozone averaged over one hour. This additional
33 allocation shall be calculated as a percentage share of the directed
34 funds for each district, derived using a ratio of each district's share
35 amount to the base amount, which shall be calculated as follows:

36 (i) The base amount shall be the total Carl Moyer program funds
37 allocated by the state board to the districts in the 2002–03 fiscal
38 year, less the total of the funds allocated through the minimum
39 allocation to each district in the 2002–03 fiscal year.

(ii) The share amount shall be the allocation that each district received in the 2002–03 fiscal year, not including the minimum allocation. There shall be one share amount for each district.

(iii) The percentage share shall be calculated for each district by dividing the district’s share amount by the base amount, and multiplying the result by the total directed funds available under this subparagraph.

(b) Funds shall be distributed as expeditiously as reasonably practicable, and a report of the distribution shall be made available to the public.

(c) All funds allocated pursuant to this section shall be expended as provided in the guidelines adopted pursuant to Section 44287 within two years from the date of allocation. Funds not expended within the two years shall be returned to the Covered Vehicle Account within 60 days and shall be subject to further allocation as follows:

(1) Within 30 days of the deadline to return funds, the state board shall notify the districts of the total amount of returned funds available for reallocation, and shall list those districts that request supplemental funds from the reallocation and that are able to expend those funds within one year.

(2) Within 90 days of the deadline to return funds, the state board shall allocate the returned funds to the districts listed pursuant to paragraph (1).

(3) All supplemental funds distributed under this subdivision shall be expended consistent with the Carl Moyer Air Quality Standards Attainment Program within one year of the date of supplemental allocation. Funds not expended within one year shall be returned to the Covered Vehicle Account and shall be distributed at the discretion of the state board to districts, taking into consideration of each district’s ability to expeditiously utilize the remaining funds consistent with the Carl Moyer Air Quality Standards Attainment Program.

(d) This section shall remain in effect only until ~~January 1, 2015~~ *December 31, 2023*, and as of that date is repealed, unless a later enacted statute, that is enacted before ~~January 1, 2015~~ *December 31, 2023*, deletes or extends that date.

SEC. 26. Section 42885 of the Public Resources Code, as amended by Section 55 of Chapter 77 of the Statutes of 2006, is amended to read:

1 42885. (a) For purposes of this section, “California tire fee”
2 means the fee imposed pursuant to this section.

3 (b) (1) A person who purchases a new tire, as defined in
4 subdivision (g), shall pay a California tire fee of one dollar and
5 seventy-five cents (\$1.75) per tire.

6 (2) The retail seller shall charge the retail purchaser the amount
7 of the California tire fee as a charge that is separate from, and not
8 included in, any other fee, charge, or other amount paid by the
9 retail purchaser.

10 (3) The retail seller shall collect the California tire fee from the
11 retail purchaser at the time of sale and may retain 1 ½ percent of
12 the fee as reimbursement for any costs associated with the
13 collection of the fee. The retail seller shall remit the remainder to
14 the state on a quarterly schedule for deposit in the California Tire
15 Recycling Management Fund, which is hereby created in the State
16 Treasury.

17 (c) The board, or its agent authorized pursuant to Section 42882,
18 shall be reimbursed for its costs of collection, auditing, and making
19 refunds associated with the California Tire Recycling Management
20 Fund, but not to exceed 3 percent of the total annual revenue
21 deposited in the fund.

22 (d) The California tire fee imposed pursuant to subdivision (b)
23 shall be separately stated by the retail seller on the invoice given
24 to the customer at the time of sale. Any other disposal or
25 transaction fee charged by the retail seller related to the tire
26 purchase shall be identified separately from the California tire fee.

27 (e) A person or business who knowingly, or with reckless
28 disregard, makes a false statement or representation in a document
29 used to comply with this section is liable for a civil penalty for
30 each violation or, for continuing violations, for each day that the
31 violation continues. Liability under this section may be imposed
32 in a civil action and shall not exceed twenty-five thousand dollars
33 (\$25,000) for each violation.

34 (f) In addition to the civil penalty that may be imposed pursuant
35 to subdivision (e), the board may impose an administrative penalty
36 in an amount not to exceed five thousand dollars (\$5,000) for each
37 violation of a separate provision or, for continuing violations, for
38 each day that the violation continues, on a person who intentionally
39 or negligently violates a permit, rule, regulation, standard, or
40 requirement issued or adopted pursuant to this chapter. The board

1 shall adopt regulations that specify the amount of the administrative
2 penalty and the procedure for imposing an administrative penalty
3 pursuant to this subdivision.

4 (g) For purposes of this section, “new tire” means a pneumatic
5 or solid tire intended for use with on-road or off-road motor
6 vehicles, motorized equipment, construction equipment, or farm
7 equipment that is sold separately from the motorized equipment,
8 or a new tire sold with a new or used motor vehicle, as defined in
9 Section 42803.5, including the spare tire, construction equipment,
10 or farm equipment. “New tire” does not include retreaded, reused,
11 or recycled tires.

12 (h) The California tire fee shall not be imposed on a tire sold
13 with, or sold separately for use on, any of the following:

14 (1) A self-propelled wheelchair.

15 (2) A motorized tricycle or motorized quadricycle, as defined
16 in Section 407 of the Vehicle Code.

17 (3) A vehicle that is similar to a motorized tricycle or motorized
18 quadricycle and is designed to be operated by a person who, by
19 reason of the person’s physical disability, is otherwise unable to
20 move about as a pedestrian.

21 (i) This section shall remain in effect only until ~~January 1, 2015~~
22 *December 31, 2023*, and as of that date is repealed, unless a later
23 enacted statute, that is enacted before ~~January 1, 2015~~ *December*
24 *31, 2023*, deletes or extends that date.

25 *SEC. 27. Section 42885 of the Public Resources Code, as added*
26 *by Chapter 707 of the Statutes of 2004, is amended to read:*

27 42885. (a) For purposes of this section, “California tire fee”
28 means the fee imposed pursuant to this section.

29 (b) (1) Every person who purchases a new tire, as defined in
30 subdivision (g), shall pay a California tire fee of seventy-five cents
31 (\$0.75) per tire.

32 (2) The retail seller shall charge the retail purchaser the amount
33 of the California tire fee as a charge that is separate from, and not
34 included in, any other fee, charge, or other amount paid by the
35 retail purchaser.

36 (3) The retail seller shall collect the California tire fee from the
37 retail purchaser at the time of sale and may retain 3 percent of the
38 fee as reimbursement for any costs associated with the collection
39 of the fee. The retail seller shall remit the remainder to the state

1 on a quarterly schedule for deposit in the California Tire Recycling
2 Management Fund, which is hereby created in the State Treasury.

3 (c) The board, or its agent authorized pursuant to Section 42882,
4 shall be reimbursed for its costs of collection, auditing, and making
5 refunds associated with the California Tire Recycling Management
6 Fund, but not to exceed 3 percent of the total annual revenue
7 deposited in the fund.

8 (d) The California tire fee imposed pursuant to subdivision (a)
9 shall be separately stated by the retail seller on the invoice given
10 to the customer at the time of sale. Any other disposal or
11 transaction fee charged by the retail seller related to the tire
12 purchase shall be identified separately from the California tire fee.

13 (e) Any person or business who knowingly, or with reckless
14 disregard, makes any false statement or representation in any
15 document used to comply with this section is liable for a civil
16 penalty for each violation or, for continuing violations, for each
17 day that the violation continues. Liability under this section may
18 be imposed in a civil action and shall not exceed twenty-five
19 thousand dollars (\$25,000) for each violation.

20 (f) In addition to the civil penalty that may be imposed pursuant
21 to subdivision (e), the board may impose an administrative penalty
22 in an amount not to exceed five thousand dollars (\$5,000) for each
23 violation of a separate provision or, for continuing violations, for
24 each day that the violation continues, on any person who
25 intentionally or negligently violates any permit, rule, regulation,
26 standard, or requirement issued or adopted pursuant to this chapter.
27 The board shall adopt regulations that specify the amount of the
28 administrative penalty and the procedure for imposing an
29 administrative penalty pursuant to this subdivision.

30 (g) For purposes of this section, “new tire” means a pneumatic
31 or solid tire intended for use with on-road or off-road motor
32 vehicles, motorized equipment, construction equipment, or farm
33 equipment that is sold separately from the motorized equipment,
34 or a new tire sold with a new or used motor vehicle, as defined in
35 Section 42803.5, including the spare tire, construction equipment,
36 or farm equipment. “New tire” does not include retreaded, reused,
37 or recycled tires.

38 (h) The California tire fee may not be imposed on any tire sold
39 with, or sold separately for use on, any of the following:

- 40 (1) Any self-propelled wheelchair.

1 (2) Any motorized tricycle or motorized quadricycle, as defined
2 in Section 407 of the Vehicle Code.

3 (3) Any vehicle that is similar to a motorized tricycle or
4 motorized quadricycle and is designed to be operated by a person
5 who, by reason of the person's physical disability, is otherwise
6 unable to move about as a pedestrian.

7 (i) This section shall become operative on ~~January 1, 2015~~
8 *December 31, 2023*.

9 *SEC. 28. Section 42889 of the Public Resources Code, as*
10 *amended by Section 3 of Chapter 333 of the Statutes of 2009, is*
11 *amended to read:*

12 42889. (a) Commencing January 1, 2005, of the moneys
13 collected pursuant to Section 42885, an amount equal to
14 seventy-five cents (\$0.75) per tire on which the fee is imposed
15 shall be transferred by the State Board of Equalization to the Air
16 Pollution Control Fund. The state board shall expend those moneys,
17 or allocate those moneys to the districts for expenditure, to fund
18 programs and projects that mitigate or remediate air pollution
19 caused by tires in the state, to the extent that the state board or the
20 applicable district determines that the program or project
21 remediates air pollution harms created by tires upon which the fee
22 described in Section 42885 is imposed.

23 (b) The remaining moneys collected pursuant to Section 42885
24 shall be used to fund the waste tire program, and shall be
25 appropriated to the board in the annual Budget Act in a manner
26 consistent with the five-year plan adopted and updated by the
27 board. These moneys shall be expended for the payment of refunds
28 under this chapter and for the following purposes:

29 (1) To pay the administrative overhead cost of this chapter, not
30 to exceed 6 percent of the total revenue deposited in the fund
31 annually, or an amount otherwise specified in the annual Budget
32 Act.

33 (2) To pay the costs of administration associated with collection,
34 making refunds, and auditing revenues in the fund, not to exceed
35 3 percent of the total revenue deposited in the fund, as provided
36 in subdivision (c) of Section 42885.

37 (3) To pay the costs associated with operating the tire recycling
38 program specified in Article 3 (commencing with Section 42870).

39 (4) To pay the costs associated with the development and
40 enforcement of regulations relating to the storage of waste tires

1 and used tires. The board shall consider designating a city, county,
2 or city and county as the enforcement authority of regulations
3 relating to the storage of waste tires and used tires, as provided in
4 subdivision (c) of Section 42850, and regulations relating to the
5 hauling of waste and used tires, as provided in subdivision (b) of
6 Section 42963. If the board designates a local entity for that
7 purpose, the board shall provide sufficient, stable, and
8 noncompetitive funding to that entity for that purpose, based on
9 available resources, as provided in the five-year plan adopted and
10 updated as provided in subdivision (a) of Section 42885.5. The
11 board may consider and create, as appropriate, financial incentives
12 for citizens who report the illegal hauling or disposal of waste tires
13 as a means of enhancing local and statewide waste tire and used
14 tire enforcement programs.

15 (5) To pay the costs of cleanup, abatement, removal, or other
16 remedial action related to waste tire stockpiles throughout the state,
17 including all approved costs incurred by other public agencies
18 involved in these activities by contract with the board. Not less
19 than six million five hundred thousand dollars (\$6,500,000) shall
20 be expended by the board during each of the following fiscal years
21 for this purpose: 2001–02 to 2006–07, inclusive.

22 (6) To make studies and conduct research directed at promoting
23 and developing alternatives to the landfill disposal of waste tires.

24 (7) To assist in developing markets and new technologies for
25 used tires and waste tires. The board's expenditure of funds for
26 purposes of this subdivision shall reflect the priorities for waste
27 management practices specified in subdivision (a) of Section
28 40051.

29 (8) To pay the costs associated with implementing and operating
30 a waste tire and used tire hauler program and manifest system
31 pursuant to Chapter 19 (commencing with Section 42950).

32 (9) To pay the costs to create and maintain an emergency
33 reserve, which shall not exceed one million dollars (\$1,000,000).

34 (10) To pay the costs of cleanup, abatement, or other remedial
35 action related to the disposal of waste tires in implementing and
36 operating the Farm and Ranch Solid Waste Cleanup and Abatement
37 Grant Program established pursuant to Chapter 2.5 (commencing
38 with Section 48100) of Part 7.

39 (11) To fund border region activities specified in paragraph (8)
40 of subdivision (b) of Section 42885.5.

1 (c) This section shall remain in effect only until ~~January 1, 2015~~
2 ~~December 31, 2023~~, and as of that date is repealed, unless a later
3 enacted statute that is enacted before ~~January 1, 2015~~ ~~December~~
4 ~~31, 2023~~, deletes or extends that date.

5 *SEC. 29. Section 42889 of the Public Resources Code, as*
6 *amended by Section 4 of Chapter 333 of the Statutes of 2009, is*
7 *amended to read:*

8 42889. Funding for the waste tire program shall be appropriated
9 to the board in the annual Budget Act. The moneys in the fund
10 shall be expended for the payment of refunds under this chapter
11 and for the following purposes:

12 (a) To pay the administrative overhead cost of this chapter, not
13 to exceed 5 percent of the total revenue deposited in the fund
14 annually, or an amount otherwise specified in the annual Budget
15 Act.

16 (b) To pay the costs of administration associated with collection,
17 making refunds, and auditing revenues in the fund, not to exceed
18 3 percent of the total revenue deposited in the fund, as provided
19 in subdivision (b) of Section 42885.

20 (c) To pay the costs associated with operating the tire recycling
21 program specified in Article 3 (commencing with Section 42870).

22 (d) To pay the costs associated with the development and
23 enforcement of regulations relating to the storage of waste tires
24 and used tires. The board shall consider designating a city, county,
25 or city and county as the enforcement authority of regulations
26 relating to the storage of waste tires and used tires, as provided in
27 subdivision (c) of Section 42850, and regulations relating to the
28 hauling of waste and used tires, as provided in subdivision (b) of
29 Section 42963. If the board designates a local entity for that
30 purpose, the board shall provide sufficient, stable, and
31 noncompetitive funding to that entity for that purpose, based on
32 available resources, as provided in the five-year plan adopted and
33 updated as provided in subdivision (a) of Section 42885.5. The
34 board may consider and create, as appropriate, financial incentives
35 for citizens who report the illegal hauling or disposal of waste tires
36 as a means of enhancing local and statewide waste tire and used
37 tire enforcement programs.

38 (e) To pay the costs of cleanup, abatement, removal, or other
39 remedial action related to waste tire stockpiles throughout the state,
40 including all approved costs incurred by other public agencies

involved in these activities by contract with the board. Not less than six million five hundred thousand dollars (\$6,500,000) shall be expended by the board during each of the following fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

(f) To fund border region activities specified in paragraph (8) of subdivision (b) of Section 42885.5.

(g) This section shall become operative on ~~January 1, 2015~~ December 31, 2023.

SEC. 30. Section 9250.1 of the Vehicle Code is amended to read:

9250.1. (a) Beginning July 1, 2008, the fee described in Section 9250 shall be increased by three dollars (\$3).

(b) Two dollars (\$2) of the increase shall be deposited into the Alternative and Renewable Fuel and Vehicle Technology Fund created by Section 44273 of the Health and Safety Code, and one dollar (\$1) shall be deposited into the Enhanced Fleet Modernization Subaccount created by Section 44126 of the Health and Safety Code.

(c) This section shall remain in effect only until ~~January 1, 2016~~ December 31, 2023, and as of that date is repealed, unless a later enacted statute, that is enacted before ~~January 1, 2016~~ December 31, 2023, deletes or extends that date.

SEC. 31. Section 9250.2 of the Vehicle Code, as amended by Section 15 of Chapter 707 of the Statutes of 2004, is amended to read:

9250.2. (a) The department, if requested by the Sacramento Metropolitan Air Quality Management District pursuant to Section 41081 of the Health and Safety Code, shall impose and collect a surcharge on the registration fees for every motor vehicle registered in that district, not to exceed the amount of six dollars (\$6), as specified by the governing body of that district.

(b) This section shall remain in effect only until ~~January 1, 2015~~ December 31, 2023, and as of that date is repealed, unless a later enacted statute, that is enacted before ~~January 1, 2015~~ December 31, 2023, deletes or extends that date.

SEC. 32. Section 9250.2 of the Vehicle Code, as added by Chapter 707 of the Statutes of 2004, is amended to read:

9250.2. (a) The department, if requested by the Sacramento Metropolitan Air Quality Management District pursuant to Section 41081 of the Health and Safety Code, shall impose and collect a

1 surcharge on the registration fees for every motor vehicle registered
2 in that district, not to exceed either of the following amounts,
3 whichever is applicable, as specified by the governing body of that
4 district:

5 (1) For each motor vehicle registered in that district whose
6 registration expires on or after December 31, 1989, and prior to
7 December 31, 1990, two dollars (\$2).

8 (2) For each motor vehicle registered in that district whose
9 registration expires on or after December 31, 1990, not to exceed
10 four dollars (\$4).

11 (b) This section shall become operative on ~~January 1, 2015~~
12 ~~December 31, 2023~~.

13 *SEC. 33. Section 9261.1 of the Vehicle Code is amended to*
14 *read:*

15 9261.1. (a) Beginning July 1, 2008, the fee described in Section
16 9261, as adjusted pursuant to Section 1678, shall be increased by
17 five dollars (\$5).

18 (b) Two dollars and 50 cents (\$2.50) of the increase shall be
19 deposited into the Alternative and Renewable Fuel and Vehicle
20 Technology Fund created by Section 44273 of the Health and
21 Safety Code, and two dollars and fifty cents (\$2.50) shall be
22 deposited into the Air Quality Improvement Fund created by
23 Section 44274.5 of the Health and Safety Code.

24 (c) This section shall remain in effect only until ~~January 1, 2016~~
25 ~~December 31, 2023~~, and as of that date is repealed, unless a later
26 enacted statute, that is enacted before ~~January 1, 2016~~ ~~December~~
27 ~~31, 2023~~, deletes or extends that date.

28 *SEC. 34. Section 9853.6 of the Vehicle Code is amended to*
29 *read:*

30 9853.6. (a) (1) Beginning July 1, 2008, the fee described in
31 paragraph (1) of subdivision (b) of Section 9853 shall be increased
32 by ten dollars (\$10).

33 (2) Five dollars (\$5) of the increase shall be deposited into the
34 Alternative and Renewable Fuel and Vehicle Technology Fund
35 created by Section 44273 of the Health and Safety Code and five
36 dollars (\$5) shall be deposited into the Air Quality Improvement
37 Fund created by Section 44274.5 of the Health and Safety Code.

38 (b) (1) Beginning July 1, 2008, the fee described in paragraph
39 (2) of subdivision (b) of Section 9853 shall be increased by twenty
40 dollars (\$20).

1 (2) Ten dollars (\$10) of the increase shall be deposited into the
2 Alternative and Renewable Fuel and Vehicle Technology Fund
3 created by Section 44273 of the Health and Safety Code and ten
4 dollars (\$10) shall be deposited into the Air Quality Improvement
5 Fund created by Section 44274.5 of the Health and Safety Code.
6 (c) This section shall remain in effect only until ~~January 1, 2016~~
7 *December 31, 2023*, and as of that date is repealed, unless a later
8 enacted statute, that is enacted before ~~January 1, 2016~~ *December*
9 *31, 2023*, deletes or extends that date.

O